DOCUMENT RESUME

ED 389 460 PS 023 842

AUTHOR Benner, Phylis M., Comp.; Hollestelle, Kay, Comp.

TITLE How To Start a Child Care Center.

INSTITUTION Children's Foundation, Washington, D.C.
PUB DATE Aug 95
NOTE 7p.
AVAILABLE FROM Children's Foundation, 725 Fifteenth Street, N.W., Suite 505, Washington, DC 20005-2109.
PUB TYPE Guides - Non-Classroom Use (055)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Budgeting; *Day Care; *Day Care Centers; Early Childhood Education; *Educational Planning; *Needs Assessment; Resource Allocation; Specifications
IDENTIFIERS Americans with Disabilities Act 1990; *Business Plans; *Community Needs; Regulatory Agencies

ABSTRACT

This paper is addressed to those who want to start their own child care center, and provides guidelines for doing so. It identifies the first things to be considered--planning and conducting a community needs assessment to analyze the competition in the area and make the decision of opening a day care center, and gathering information from a variety of sources and agencies regarding rules and regulations. Representatives from each of these agencies should be requested to visit the proposed site and review the plans, which should include playground plans. The business management skills required to get started are outlined and discussed briefly. These pertain to developing a business plan that will project the growth of the business for at least 3 to 5 years, a start-up budget that is based on the amount of funding required to open the center, and an operating budget that establishes a month-to-month income and expenditure. Following this, the paper highlights the following tasks that need attention and will impact the budget: (1) interior and exterior design and arrangement; (2) selecting and purchasing equipment; (3) developing the educational program and/or the curriculum; (4) finding, selecting and hiring staff; and (5) building enrollment. Included in the paper are lists of additional resources, organizations, and companies related to child care. (BAC)

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725 Fifteenth Street, N.W., Suite 505 • Washington, D.C. 20005-2109
(202) 347-3300

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HOW TO START A CHILD CARE CENTER

So, you want to start your own child care center. The following pages will give you a glimpse of what you need to do including a resource list that should be helpful to you as you begin your child care business.

FIRST THINGS FIRST:

You should analyze the competition in your area and plan to conduct a community needs assessment. You want to know if the area really needs a child care center. You will want to find out several things about the type of care needed in the community: age of children, hours of care, what fees would potential clients be willing to pay. The information from the needs assessment will help you decide if you should pursue your plan to open your own day care center. Once you have made the decision to move forward, you need to continue to gather information.

You will need all kinds of information from a variety of sources. To begin with, you should contact state and local child care regulatory agencies and request a copy of the regulations and any work sheets that may be available. It would be a good idea to request the names of child care licensing representatives in your area so you can eventually work with one personally. They would be able to assist you with the licensing process which could take several months to complete on your own.

If you are going to build a new facility, contact your local property zoning office to find out where a child care facility can be placed. If you are going to renovate an existing facility, find out if the property is zoned for a child care center.

You will need to know about building codes, how to apply for an occupancy permit and what is required to pass the occupancy permit inspection. Contact Americans With Disabilities Act information line (202) 514-0301 for information on how this legislation affects the building and renovation of child care facilities.

Ask the local fire marshal for advice about how to meet fire codes. Fire codes determine types of wall and floor coverings; types of doors, where to place them and how they should open; fire alarm systems and the placement and type of fire extinguishers. The fire marshal can also help you plan the emergency evacuation procedure required by state and local licensing.

The health department can give you information on any specific regulations for number of toilets, the ventilation system, kitchen equipment, food service procedure and food service staff training, the water system and hot water temperature.

Request that a representative from each of the regulatory agencies visit the proposed site before you buy or lease, and if you are going to build or renovate, ask them to review your plans. Remember to include playground plans in all your discussions.

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Be aware that regulations from one agency may conflict with those of another agency. Ask agency representatives to put everything in writing, especially when it pertains to compliance issues. Be sure to get inspectors's names.

GETTING STARTED:

Owning and operating a child care center requires smart business management. If you have limited business experience and knowledge, there are ways to get this information. Enroll in classes at a community college or business school; hire a consultant or business professional; take on a partner with business expertise; hire a business manager; learn about and how to use computer software designed for business management.

The first step in developing the business is to develop a business plan that will outline and project the growth of your business for at least three to five years. Your business plan should include the following:

* A mission statement describing your philosophy and services.

* A description of your background, expertise and track record.

* A statement of the need for child care and an analysis of the competition in your area.

* Income estimates and enrollment projections. (You might want to do a break-even analysis to determine at what point your revenue will cover your operating costs. Describe how you will meet salaries and fixed costs until the center breaks even.)

* A projected operating budget and how it will change as the enrollment grows.

* An organizational chart showing staffing needs, positions and job descriptions.

* Tell how you plan to meet your goals by describing your marketing plans and program development.

The next step is to develop a start-up budget that is based on as accurate an estimate as possible of the amount of funding required to open your child care center. You will need to plan for many variables such as: construction/ renovation costs; land/property taxes; equipment; installation fees; utility connection charges; professional fees (lawyer, accountant); licensing/application fees; marketing/advertizing; insurance and staff training.

Now you are ready to develop an operating budget that establishes a month-to-month income and expenditure plan that covers the following items: payroll expenses (wages and benefits); insurance: property liability and worker's compensation; rent or mortgage payments; utilities; food; office and administrative supplies; consumable educational supplies; custodial/cleaning services; and repairs/replacement costs for toys, furniture, and equipment.

NOW WHAT?

At this point you my find yourself doing several important things simultaneously: finalizing the facility design, developing the interior and exterior design and arrangement; selecting and purchasing equipment and materials; hiring staff; training staff; developing or selecting an educational program or curriculum and building enrollment. It's hard to pin point which of these tasks is the most important--they will all require your serious attention-and impact on the budget.

These tasks are highlighted below:

Interior and exterior design and arrangement:

Space use and design will be affected by the child care licensing regulations which specify the number of square feet, inside and outside, required per child. Space such as hallways, closets, bathrooms and storage area is often not counted as "child use" space. Licensing regulations also specify the number of child size toilets required for a given number of children. The size of your space will determine the number and age of children you can serve. This will impact on your potential income. First time center owner-operators often design facilities too small to make a profit. Staff should develop their own classroom environment and room arrangements and, when possible, assist with designing the outdoor space.

Selecting and purchasing equipment:

This is the fun part! Some experts recommend that you budget $275 per child (figure does not include a van or bus). Safe and durable equipment does not have to be expensive, but it should be purchased from a reputable distributer dealing in equipment designed to meet the demands of a child care center and the developmental needs of young children. A good rule of thumb is to budget one of the following for each preschool child: child size chair, table space, cot, mat and cubbie space, along with money for books, toys, shelves, activity area furniture and playground equipment. If possible involve the staff in the selection of the indoor and outdoor equipment. Be aware that all equipment needs to be in place to pass inspection.

Developing the educational program and/or the curriculum:

The program consists of all the things the children do during the day and it is the quality of the program that will determine the success of your center. Contact the National Association for the Education of Young Children (NAEYC) at 1-800-424-2460 and find out about getting their established guidelines for quality programs as set forth by the National Academy of Early Childhood Programs.

Even if you have experience in the field of early childhood education, you should consider hiring someone to supervise the educational program. Your time will be tied up with center management and administrative issues. This person could be an assistant director or an education coordinator who would be part of the administrative team and a salaried employee.

You may develop your own curricula, or choose to purchase one of several currently available through educational resources distributors. Again, be sure to follow the NAEYC guidelines.

Finding, selecting and hiring staff:

You should have several items in place before you begin the recruiting process: application forms, job descriptions, personnel policies, employee benefits and the salary scale. At a minimum, requirements should be based on your state's licensing regulations concerning the amount of and type of education and experience for each position. There are several ways to advertize for staff. Advertize in local newspapers and professional organization newsletters; place notices on college bulletin boards and talk to instructors in the education department; word of mouth and personal contact is often the best approach to finding quality staff.

Finding quality staff is often a challenge. The quality of your staff will affect the success of your center, so it is important for you to consider applications you receive carefully to see if they will meet your requirements. Then you can begin the interviewing process. You will need to develop an interview form and keep careful notes as you interview the best applicants. If possible, observe them interacting with young children, and always check their references.

Building enrollment:

This final step can be thought of as a recruiting process. You need to reach as many potential clients as possible in as short a time as possible. Their are many effective ways to do this; some may work better than others in your community. The following techniques have been successful for others: put up a "Coming Soon " sign; develop a brochure and distribute it; join the Chamber of Commerce and visit local employers; consider pre-enrollment incentives; put on a grand opening party and advertize it in the local newspaper.

The process described above may take much longer than you anticipate. There will be many delays that are beyond your control. Be patient, but keep in regular contact with the agencies that govern the regulations you must follow in order to operate a successful child care business.

ADDITIONAL RESOURCES:

Caring for Kids: A Concise Guide To Establishing a Successful Day Care Center Tonya Ashworth. Vade Mecum Press. 1500 West Alameda, Denver, CO 80223.

Creating Quality Child Care Facilities and Building Quality Child Care Facilities, Early Childhood Facilities Fund, 65 South Main St., Building D, Pennington, NJ 08534. 609-730-1070.

Day Care Personnel Management, Save The Children. Distributed by Gryphon House, Inc. P.O. Box 275 Beltsville, MD 20712.

Everyday Guide to Opening and Operating a Child Care Center, D. Kingsbury, S. Vogler, & S. Benero. Vade Mechum Press, 1500 West Alameda, Denver, CO 80223.

How To Open Your Own Child Care Center, Hal Kaplan, Kaplan School Supply Corporation, 1310 Lewisville-Clemmons Road, Lewisville, NC 27023.

So You Want to Open a Profitable Day Care Center..., Patricia C. Gallagher. Young Sparrow Press, P.O. Box 265, Worcester, PA 19490. 215-364-1945

ADDITIONAL ORGANIZATIONS:

Association of Child Care Consultants International
109 S. Bloodworth Street
Raleigh, NC 27601-1503
800-874-9383

Center for Career Development and Early Care and Education
Wheelock College
200 The Riverway
Boston, MA 02215-4176
617-734-5200

Child Care Action Campaign
330 Seventh Avenue, 17th floor
New York, NY 10001
212-239-0138

Child Care Law Center
22 Second Street, 5th floor
San Francisco, CA 94102
415-495-5498

Council for Early Childhood Professional Recognition
1341 G Street, N.W., #400
Washington, DC 20005-3105
800-424-4310

National Association for the Education of Young Children
1509 16th Street, N.W.
Washington, DC 20036-1426
800-424-2460

National Association of Child Care Resource & Referral Agencies
1319 F Street, N.W.
Washington, DC 20004
202-393-5501

National Child Care Association
1029 Railroad Street
Conyers, GA 30207
800-543-7161

National Child Care Information Center
301 Maple Avenue West, #602
Vienna, VA 22180
800-616-2242

National Resource Center for Health and Safety in Child Care
200 15th Street North, #701
Arlington, VA 22201-2616
703-524-7802

COMPANIES: (Call or write to get a copy of their catalog of materials.)

ChildCraft Education Corporation
2920 Old Tree Drive
Lancaster, PA 17603
800-631-5652

Children's Press
5440 N. Cumberland Avenue
Chicago, Ill 60656-1494
800-621-1115

Early Childhood Catalog
Scholastic, Inc.
P.O. Box 7502
Jefferson City, MO 65102-7502
800-724-6527

Educational Record Center
3233 Burnt Mill Drive, #100
Wilmington, NC 28403
800-438-1637

Gryphon House
P.O. Box 207
Beltsville, MD 20704-0207
800-638-0928

Kaplan School Supply Corporation
1310 Lewisville-Clemmons Road
Lewisville, NC 27023-0609
800-334-2014

Lakeshore Learning Materials
2695 E. Dominquiez Street
Carson, CA 90749
800-421-5354

PlayCare Associates
10 Pauline Street
Randolph, MA 02368
800-370-5229

Redleaf Press
450 N. Syndicate, Suite #5
St. Paul, MN 55104-4125
800-423-8309

School-Age Notes
P.O. Box 40205
Nashville, TN 37204
615-242-8464

Totline Books
Warren Publishing House
P.O. Box 2250
Everett, WA 98203
800-334-4769

Toys To Grow On
P.O. Box 17
Long Beach, CA 90801
800-542-8338

Women's Educational Equity Act
Publishing Center
Education Development Center
55 Chapel Street, #200
Newton, MA 02160
800-225-3088

Compiled by: Phylis M. Benner
Kay Hollestelle
August, 1995